

# AOI Supports Senate Bill 678

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AOI supports SB 678. It is a critical bill for the business community.

SB 678 addresses the negative ramifications of a recent Oregon Court of Appeals decision in *Antonio Cortez v. Nacco Materials Handling Group, Inc.*

The court's holding undermines the long-standing basic tenet of Oregon's workers' compensation law that an injured workers' exclusive remedy for a workplace injury is through the workers' compensation system. This is known as "exclusive remedy," and it's the critical foundation upon which the workers' compensation system is built in Oregon and most states.

The Appeals Court ruled in *Cortez* that the exclusive remedy provision of the workers' compensation law does not protect the members (owners) of a Limited Liability Company (LLC) from liability stemming from a workplace injury.

The issue stemming from the *Cortez* decision is that all employers across Oregon are protected from liability under Oregon's workers' comp exclusive remedy statute – except for LLC owners and members.

Senate Bill 678 makes it clear that members and owners of LLCs are protected under Oregon's exclusive remedy law just like all other employers.

The court's decision in *Cortez* has made clear that we need to be very specific in ORS 656.018 as to who is afforded exclusive remedy protections as an "employer."

This is what SB 678 does. It makes clear that owners, members and partners in limited liability companies and partnerships are protected from personal liability stemming from workplace injuries under Oregon's exclusive remedy law so long as they are acting within the scope of employment.

There has never been a time that the business community ever believed that owners and members of LLCs were meant to be excluded from exclusive remedy protection. Senate Bill 678 is a necessary fix to uphold the foundation of our workers' comp system for all employers.

Please support SB 678.

A handwritten signature in black ink, appearing to read 'Chuck Brune', is written in a cursive style.